

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-136

March 25, 2002

Consumers Maine Water – Kezer Falls Division
Application for Approval of Issue
Of Securities (§ 902, 1101a)(\$125,000)

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On March 8, 2002, Consumers Maine Water – Kezer Falls Division (Kezer Falls) filed with the Commission its application for authority to issue its bond in a sum not to exceed \$125,000 through the Maine Municipal Bond Bank under the Tate Revolving Loan Funds, at an annual rate not to exceed 4 percent. The debt will be paid over a term not to exceed 20 years. In addition, the Company has requested authority to issue a mortgage of its property to secure this debt. This order grants the Company's request.

Kezer Falls requires these funds to finance the recently constructed new water main across the Ossipee River between Parsonsfield and Porter, improving water flows and the reliability of water to that side of the water system.

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9, and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for Maine Municipal Bond Bank, Rural Economic & Community Development Administration and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. As is required under 35-A M.R.S.A. §1101, the Company is also authorized to mortgage utility property as necessary to complete the transaction. In approving this securities issue, consistent with normal practice and pursuant to §902 (4) and §1101, the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That Kezar Falls is hereby authorized to issue its bond and related mortgage in a sum not to exceed \$125,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 4 percent per year through the Maine Municipal Bond Bank under the State Revolving Loan Funds for a term not to exceed 20 years.
2. That Kezar Falls report to the Commission, in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bond, or June 28, 2002, whichever may come first.
3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 25th day of March, 2002.

**BY ORDER OF THE ACTING DIRECTOR
OF FINANCE**

Richard Kania
Acting Director of Finance

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.